

SENATE FINANCE COMMITTEE  
February 11, 2021  
9:01 a.m.

9:01:39 AM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:01 a.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Lyman Hoffman (via teleconference)  
Senator Donny Olson  
Senator Bill Wielechowski  
Senator David Wilson

MEMBERS ABSENT

Senator Natasha von Imhof

ALSO PRESENT

Pat Pitney, Interim President, University of Alaska.

PRESENT VIA TELECONFERENCE

Michael Johnson, Commissioner, Department of Education and Early Development; Heidi Teshner, Director, Finance and Support Services, Department of Education and Early Development; Lacey Sanders, Administrative Services Director, Department of Education and Early Development, Office of Management and Budget, Office of the Governor.

SUMMARY

K-12 FY22 OPERATING AND FORMULA WALK THROUGH

UNIVERSITY FY22 OPERATING - SUBCOMMITTEE OF THE WHOLE

Co-Chair Stedman discussed the agenda.

^K-12 FY22 OPERATING AND FORMULA WALK THROUGH

9:03:04 AM

Co-Chair Stedman remarked that regardless of its fiscal position, the education of Alaska's children was one of the state's fundamental constitutional obligations.

9:03:37 AM

MICHAEL JOHNSON, COMMISSIONER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT (via teleconference), discussed the presentation "Foundation Formula Overview & K-12 FY2022 Operating Budget" (copy on file). He relayed that he would give brief remarks until slide 4, at which time he would turn the presentation over to the Director of Finance and Support Services for the Department of Education and Early Development (DEED).

Commissioner Johnson showed slide 2, "Our Mission, Vision, and Purpose":

OUR MISSION

An excellent education for every student every day.

OUR VISION

All students will succeed in their education and work, shape worthwhile and satisfying lives for themselves, exemplify the best values of society, and be effective in improving the character and quality of the world about them. Alaska Statute 14.03.015

OUR PURPOSE

DEED exists to provide information, resources, and leadership to support an excellent education for every student every day.

Commissioner Johnson turned to slide 3, "Our Strategic Priorities: Alaska's Education Challenge":

Five Shared Priorities:

1. Support all students to read at grade level by the end of third grade
2. Increase career, technical, and culturally relevant education to meet student and workforce needs
3. Close the achievement gap by ensuring equitable educational rigor and resources

4. Prepare, attract, and retain effective education professionals
5. Improve the safety and well-being of students through school partnerships with families, communities, and tribes

Commissioner Johnson thought it was important to ponder priorities as the state reviewed the budget, identified the impacts of COVID-19 on student enrollment, and considered the impact of millions of dollars of relief funds.

9:05:48 AM

HEIDI TESHNER, DIRECTOR, FINANCE AND SUPPORT SERVICES, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT (via teleconference), reviewed slide 4, "Public School Funding Formula":

FY2021 Statewide Enrollment Counts  
Foundation Payment Process and Advances  
Federal Impact Aid Disparity Test  
Additional State-Funded Formula Programs

Ms. Teshner displayed slide 5, "Public School Funding":

Public school funding is established under AS 14.17

Funding consists of State Aid, Required Local Contribution, and Federal Impact Aid

The amount of State Aid a school district is eligible to receive during the Fiscal Year is calculated annually through the school funding formula (AS 14.17.410)

To begin the funding calculation, an average daily membership (ADM) for each school must be determined.

education.alaska.gov/school finance  
[https://education.alaska.gov/SchoolFinance/docs/ADA%20Funding%20Program%20Overview%202021\\_eff9-2020.pdf](https://education.alaska.gov/SchoolFinance/docs/ADA%20Funding%20Program%20Overview%202021_eff9-2020.pdf)

Ms. Teshner cited that the education foundation formula was adopted under SB 36 in 1998 and was implemented in 1999. She noted that Regional Educational Attendance Areas (REAA) did not have a local contribution, and there were 19 REAA school districts in the state. She explained that the first

hyperlink listed on the slide would give access to DEED's school finance website, where there were resources including allocation history and annual foundation reports. She mentioned two supplemental handouts, the eight-page "Public School Funding Program Overview" and a one-page document entitled "Alaska Public School Funding - Foundation Formula History" (copy on file).

Ms. Teshner spoke to slide 6, "Annual Count Period":

Each Fall, every district is required to conduct a 20-day student count to determine their Average Daily Membership (ADM).

Districts must submit their student count data (ADM) to the department two weeks after the count period ends (AS 14.17.600).

The department uses ADM data to determine a district's State Aid eligibility and funding

- 2020-2021 school year count period: September 28 -October 23, 2020

- 2020-2021 school year count period submittal date: November 6, 2020

[9:09:43 AM](#)

Ms. Teshner showed slide 7, "FY2021 Statewide School Enrollment Counts":

FY2021 Projected: Projected student counts provided by districts in November 2019 in order to prepare the FY2021 Governor's Budget. Required by AS 14.17.500

FY2021 OASIS Update: Student counts or "actuals" provided by districts during the 2020-2021 school year 20-day count period and the results of the department's reconciliation and review process. Required by AS 14.17.600(a)

FY2022 Projected: Projected student counts provided by districts in November 2020 in order to prepare the FY2022 Governor's Budget. Required by AS 14.17.500

Ms. Teshner noted that the table at the top of the slide showed the statewide FY 21 updated student count data compared to the FY 21 projected data and the FY 20 actual

data. Additionally, there was projected data for FY 21 and FY 22. The department reviewed the data annually to ensure that there were no duplicates and to review the special education intensive students.

Co-Chair Stedman asked what the chart on slide 7 indicated.

Ms. Teshner pointed out that the FY 21 regular average daily membership (ADM) had decreased 15,352.91 or by 13.4 percent compared to the projected data. In addition, the ADM had increased 13,445.8 or 94.9 percent over the FY 21 projected data. There was a total ADM decrease of 1,907.11 or 1.5 percent compared. The department had anticipated the shift from regular attendance to correspondence. There had been a larger decrease in regular ADM versus the increase in correspondence, and she relayed that there were students that had left the school system or moved out of state and were not being counted. She thought there may be other anomalies occurring that caused students not to be counted, and DEED not have specific data as to where the students had gone.

Senator Wilson asked if it might be necessary to revisit the way that the ADM count was calculated to help remedy some of the things that had occurred. He discussed counts during the pandemic and the inability to true-up numbers. He wondered how the department would be able to do the student count.

Ms. Teshner cited that the formula had been in place for over 20 years and there might be a need to review the count calculation. She thought it seemed that the process worked, but the current year was an anomaly due to the COVID-19 pandemic. There were not normally such large fluctuations. She stressed the need for better projections.

Senator Wilson thought it seemed that for the current and next year there would be more than a 5 percent loss of students, which would engage a two-year "hold harmless" provision. He thought the matter could be addressed during the next slide.

[9:14:29 AM](#)

Co-Chair Bishop requested a slide with student counts broken down by school district.

Co-Chair Stedman reiterated Co-Chair Bishop's request.

Co-Chair Bishop wanted a student count by district.

Ms. Teshner relayed that there was a relevant report on DEED's website, which included the ADM count by district and all formula factors. She agreed to provide the committee the information.

Senator Olson asked about the in-person (regular) ADM versus the correspondence ADM ask shown on slide 7 and asked how the numbers affected funding.

Ms. Teshner explained that so far, she had analyzed that the shift from regular ADM to correspondence ADM had done multiple things within districts. Some changes had triggered hold-harmless provisions, and there had been increases and decreases. Overall, there was a \$25 million net increase to the foundation formula. The shift in correspondence programs had nearly doubled the cost of just the correspondence students in the formula.

Senator Olson considered the COVID funding that had come to the state and asked if any of the shortfalls would be covered by the funding.

Ms. Teshner affirmed that the department would assume that districts would be utilizing the funds to offset reduced funding from lower enrollment as well as utilizing fund balance where possible. She referenced a forthcoming handout that helped provide an overall comparison between COVID-19, enrollment, and fund balance information.

[9:17:36 AM](#)

Senator Wilson asked if the formula accounted for students doing virtual learning due to the pandemic, and if the students were different than correspondence students.

Ms. Teshner stated that if a student was enrolled in a brick-and-mortar school, she or he was counted as a regular ADM. If a student were enrolled in a correspondence program, the student would be counted as such.

Co-Chair Stedman asked if there were any issues with federal oversight or educational formula or concerns that the formula might be out of balance.

Ms. Teshner stated that an upcoming slide would address the disparity test and what the impact would be to the state if it was not equalized. Currently there was not concerns with the formula being equalized, as long as the state followed the statute.

Ms. Teshner discussed slide 8, "Hold Harmless Provision":

Districts that experience a five percent or more enrollment loss trigger the hold harmless provision (AS 14.17.410(b)(1)(E)).

Eligibility is determined after the district's adjusted for school size ADM are calculated and totaled up for all schools.

The provision is available to school districts over a three-year step-down:

- 75% in the first year,
- 50% in the second year, and
- 25% in the final year, provided the adjusted for school size ADM total stays below the established "base year".

Ms. Teshner discussed the hold harmless provision. She relayed that the provision had been put in place prior to the COVID-19 pandemic, and it had been helpful for a number of districts. If a district had triggered the provision for FY 21, and a majority of students returned in FY 22, the district would no longer be in hold harmless status. Once in hold-harmless status, it did not mean a school district would stay there for three years.

[9:21:06 AM](#)

Senator Wielechowski asked if the department was aware of any research regarding students that received instruction in the classroom versus students in correspondence programs.

Commissioner Johnson thought there had been numerous articles on the subject but could not cite research off the top of his head. He offered to look at the research and provide the information to the committee.

Senator Wielechowski asked if Commissioner Johnson thought (from a policy perspective) that the state should encourage students to attend in-person versus virtual school.

Commissioner Johnson explained that the virtual delivery of school was not new to the pandemic. He explained that each individual student needed different methods and strategies for learning. He could not recommend one strategy for every single student, which was something he thought should be decided by the teacher and family. He shared that before the pandemic many students participated in virtual learning as part of education, and he suspected the same would be true after the pandemic.

Senator Wilson asked if there was a list that addressed how many schools had a 5 percent enrollment loss. He wondered if there was a trend related to schools off the road system and schools on the road system.

Ms. Teshner stated there was no specific data on the website that addressed the hold harmless provision. She offered to provide a list of districts in hold-harmless status for FY 21.

Co-Chair Stedman thought it would be helpful to have historical data as well.

Ms. Teshner agreed to provide the information.

Ms. Teshner showed slide 9, "Public School Funding Formula," which showed a table that depicted an overview of formula factors including ADM, and factors that multiplied up to determine a district's adjusted ADM.

Ms. Teshner turned to slide 10, "Public School Funding Formula," which showed a table that continued the information from slide 9 but included the basic need calculation and funding sources to get the total state entitlement.

Co-Chair Stedman asked if the spreadsheet that DEED would provide would have all the same columns so members could see the interaction of the numerics.

Ms. Teshner answered in the affirmative.

[9:25:17 AM](#)



Ms. Teshner referenced slide 11, "Base Student Allocation (BSA) Funding," which showed a bar graph that showed the history of the BSA from FY 99 through FY 21, as well as the outside funding formula that had been appropriated by the legislature.

Co-Chair Stedman looked at FY 20 and the notations of funding outside the formula. He asked if the funding was additive on top of the numerics on the graph.

Ms. Teshner explained that the outside funding was in addition to the funds that districts would generate through the formula. The one-time funding was typically paid on the adjusted ADM.

Co-Chair Stedman asked if the department would adjust the slide to graphically depict the added funding.

Co-Chair Stedman asked if the department would add a line for inflation in order to consider real dollars when looking at purchasing power and parity issues.

Ms. Teshner agreed to provide the information.

Senator Wielechowski recalled that Commissioner Johnson had testified several years previously that the legislature was close to violating its constitutional obligation regarding providing education, and since that time funding had been relatively flat. He was curious if the commissioner's opinion on the subject had changed.

Commissioner Johnson stated he was not aware of the remarks referenced by Senator Wielechowski. He acknowledged that the legislature set the funding for education through the established funding process. He wanted to better understand Senator Wielechowski's question.

Co-Chair Stedman wanted to pass on the question. He noted that the state was getting a substantial amount of the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funds. He asked if the department would include the information on its chart. He did not think it would be wise to ignore the significant amount of funding coming into school districts.

Ms. Teshner agreed to modify the chart with the information.

Ms. Teshner looked at slide 12, "FY2021 Statewide Enrollment Comparison," which showed a table. She noted that the top portion of the table had been addressed by slide 7. The bottom portion of the slide showed funding sources including basic need, the required local contribution, impact aid, and other sources. The FY 21 number versus the FY 21 projected numbers signified a 2 percent (\$25 million) increase to the current year budget. Comparing the FY 22 projected number back to FY 21 projected numbers, there was a projected 1.6 percent decrease for the next fiscal year.

[9:30:40 AM](#)

Ms. Teshner discussed slide 13, "Foundation Payments Process":

Districts receive foundation payments based on the previous year's student count for the first nine months of the school year (AS 14.17.610(a)).

Final payments for the last three months of the school year (April - June) are used to 'true-up' to this year's student count.

This ensures that when the fiscal year ends, districts have been paid what is due based on their current year, actual reconciled average daily membership (ADM) counts.

Senator Wilson asked how the previous year's true-up occurred.

Ms. Teshner stated that the annual process of ensuring there were no duplicated students was the same each year. She discussed the process and how a student may come to be counted twice. There was a 30-day appeal period during which school districts would review the final numbers.

Senator Wilson wondered if the previous year's abrupt transition due the start of the COVID-19 pandemic had caused any issues with the true-up.

Ms. Teshner explained that there was only one count period, and the true-up ensured that the initial raw district data

from November of each year was finalized. If a student attended during fall in one district and transferred to another in the spring, the first district would retain the funding.

9:34:13 AM

Commissioner Johnson showed slide 14, "Foundation Payments: Advances":

Districts experiencing a large increase in student enrollment can request an advance on their anticipated finalized state aid funding (AS 14.17.610(c)).

To request an advance, a district must provide a written request to the department that includes at least the following information:

- Copies of the last bank statements for all accounts.
- Cash reconciliation prepared in the last 30 days.
- A listing of investments with maturity dates.

Senator Olson asked how many school districts had taken advantage of advanced payment in recent years.

Ms. Teshner estimated that there had been a dozen districts that had requested advance payment in her 17 years at the department.

Ms. Teshner referenced slide 15, "Federal Impact Aid Disparity Test":

In order to qualify for this provision, the State must demonstrate an equalized funding formula, in which there is not more than a 25% disparity between districts revenue per Adjusted Average Daily Membership (AADM).

Failure to pass the annual disparity test results in a cost of at least \$255 million to the State of Alaska.

Ms. Teshner reminded that the federal government allowed the state to deduct 90 percent of allowable impact aid from the amount of foundation formula funds allocated to school districts. The state was only allowed to deduct the aid if there was an equalized formula. Based on federal regulations, the state must request permission from the

federal government to take impact aid payments into account in determining state aid payments to district. There was an annual certification that had to occur not later than 120 days prior to the next fiscal year.

Co-Chair Stedman asked if the state had ever had problems with the disparity test, and if the state's formula structure was sufficient.

Ms. Teshner relayed that there had not been any issues with exceeding the 25 percent disparity cap.

Ms. Teshner showed slide 16, "Additional State-Funded Formula Programs":

Pupil Transportation

Funding determined based on statutory formula (AS 14.09.010)

Funded on regular (brick and mortar) ADMs only; does not include correspondence students

FY2021 Appropriation = \$76,997.7

FY2021 Estimated Actuals = \$65,341.9

Residential Schools Program

Funding determined based on statutory formula (AS 14.16.200)

Per pupil monthly stipend rate x 9 months x actual student count = residential stipend. Plus one round-trip transportation reimbursement per student, at the least expensive means, between the student's community of residence and the school

FY2021 Appropriation = \$8,275.7

FY2021 Estimated Actuals = \$2,363.6

Ms. Teshner noted that slide 16 showed two formula programs that were also affected by enrollment counts. The slide provided the formula for payment as well as the FY 21 appropriations and estimated grant totals. Each program had seen a decrease based on how the formula was written and less students participating.

[9:37:28 AM](#)

LACEY SANDERS, ADMINISTRATIVE SERVICES DIRECTOR, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, OFFICE OF MANAGEMENT

AND BUDGET, OFFICE OF THE GOVERNOR (via teleconference), showed slide 17, "FY2022 Operating Budget":

AN EXCELLENT EDUCATION FOR EVERY STUDENT EVERY DAY 17

- Formula Funding
- Non-Formula Funding
- Budget Highlights

Ms. Sanders referenced additional slides and 7 attachments based on questions from the committee the previous day regarding the Education Stabilization Fund under the CRRSAA Act (copy on file). She offered to walk through the additional information.

Co-Chair Stedman asked Ms. Sanders to continue with the ongoing presentation.

Ms. Sanders tuned to slide 18, "Formula Funding," which showed two bar graphs showing the funding formula made up of the K-12 foundation program, pupil transportation, the residential schools program, youth in detention, special schools, and the Alaska Performance Scholarship award in the DEED budget. The formula funding made up the largest portion of the department's budget and was distributed as grants. The funding totaled 96 percent of DEED's Unrestricted General Fund (UGF) budget, and 80 percent of DEED's total budget. The K-12 portion was the largest piece and totaled \$1.2 billion, and pupil transportation was the second largest with \$71.4 million.

Ms. Sanders continued that there was an overall decrease of \$25.3 million when compared to the FY 21 management plan. The reduction was made up of \$19.8 million from the foundation program and \$5.6 million from the pupil transportation program. The two reductions were based on the lower projected district ADM as addressed by Ms. Teshner.

Co-Chair Stedman commented that the scale of the graphs on the slide was problematic. He thought the depiction was not helpful.

Senator Wielechowski asked if there was any requirement for school districts receiving state funding that employees reside in Alaska while working.

Ms. Sanders was not aware of any such requirement but agreed to follow up with more information.

Senator Wielechowski asked if the department would oppose a provision in the budget that required employees of school districts receiving state funds to reside and work in the state.

Ms. Sanders deferred the question to the commissioner.

Commissioner Johnson thought districts negotiated with the unions and did not know of any districts that prohibited out of state work. He did not know of any employees of Alaska school districts that resided out of state.

Senator Wielechowski asked if Commissioner Johnson, from the state's perspective, would oppose a provision or amendment that stipulated those receiving state funds could not work outside Alaska.

Senator Wielechowski asked if the department would oppose such a provision.

Commissioner Johnson thought the issue was best resolved between the unions and each individual district.

[9:42:58 AM](#)

Ms. Sanders turned to slide 19, "Non-Formula Funding," which showed two graphs. She commented that the slide could be modified. The slide showed the remaining non-formula funding in the deferment for divisions and programs and represented about 4 percent of DEEDs total UGF budget and 10 percent of DEEDs total budget for all funds. The total amount for the FY 22 governor's budget for non-formula funding was \$318.5 million and reflected an overall reduction of \$1.1 million compared to the FY 21 management plan. The total UGF in FY 22 was \$45.9 million and reflected a decrease of \$254,000.

Co-Chair Stedman asked Ms. Sanders to pause. He thought the chart did not have value as presented. He suggested going to the next slide. He requested the information be put into table format with the addition of numerics from FY 19 through FY 22.

Ms. Sanders agreed to modify the charts and provide the material to the committee.

[9:45:01 AM](#)

Ms. Sanders displayed slide 20, "Budget Highlights":

K-12 Foundation Formula is fully funded based on the statutory calculation (AS 14.17.410)

- Base Student Allocation remains at \$5,930 (AS 14.17.470)

- Total State Aid equals a decrease of \$19.8 million

Pupil Transportation is fully funded based on the statutory calculation (AS 14.09.010)

- Total Pupil Transportation equals a decrease of \$5.6 million

School Debt Reimbursement and Regional Educational Attendance Area (REAA) and Small Municipal School District School Fund are funded at 50% of the statutory calculations

- School Debt Reimbursement totals \$41.7 million (AS 14.11.102)

- REAA Fund Capitalization totals \$17.1 million (AS 14.11.025)

Replace \$933 thousand Inter-agency Receipts with UGF for School Finance and Facilities' portion of the budget that was previously tied to the School Debt Reimbursement Program

Reduction of \$230 thousand UGF in Student and School Achievement due to identification of duplicate data analysis - data will continue to be provided to districts by information housed in the department

Reductions totaling \$171.5 thousand UGF as department transitions to more virtual conferences and meetings

Replace \$431.5 thousand Alaska Student Loan Corporation Receipts with Higher Education Investment funds for administration of State Programs in the Alaska Commission on Postsecondary Education

[9:49:21 AM](#)

Co-Chair Stedman stated that there were concerns on school debt reimbursement policy. He asked for the department's position regarding the 50 percent school bond debt reimbursement. He asked how the funding tied into the REAA Fund capitalization issue and the potential violation of the Kasayulie case and decree. [In 1997, Kasayulie and other parties brought suit against the State of Alaska regarding education funding. The Kasayulie Consent Decree and Settlement Agreement addressed the violations of law and provided remedies for these violations.]

Ms. Sanders relayed that funding for the school debt reimbursement program and the REAA Fund had historically been tied together as outlined in statute. The governor's FY 22 proposed budget continued the linkage based on a 50 percent level of funding. The Office of Management and Budget (OMB) and the Department of Law were reviewing a request and comments and questions from previous committee meetings regarding the proportionate reductions and would be providing a response to the committee.

Co-Chair Stedman reminded that one of the legislature's primary constitutional obligations was educating the state's children. He observed that the state had not build any schools for several years and that the state had two to three years on a moratorium going forward. He asked about the department's position on the need for school construction, particularly in Western Alaska and in the Mat-Su area where there was a population growth of children.

Co-Chair Stedman clarified that the question was directed at the commissioner. He wanted the commissioner to address his position on the state's requirement to educate the state's children and lack of school construction. He questioned how the state would facilitate fulfilling its obligation considering the difficulty communities and REAAs had in school bond debt reimbursement.

[9:52:10 AM](#)

Commissioner Johnson acknowledged that there would always be a need for school construction and school maintenance. He hoped that the legislature would commit as many funds as possible to the effort while balancing the need with other needs that existed in communities, including rural Alaska,



that supported the education of students directly and indirectly.

Co-Chair Stedman stated that the legislature had not taken a position to modify the 100 percent bond debt reimbursement. He relayed that many communities were concerned that the taxpayers would be responsible for 100 percent of the cost when school construction was needed. He pondered unorganized areas with no tax base and asked how the commissioner planned on constructing schools and dealing with the state's constitutional obligation.

Commissioner Johnson noted that he could not appropriate money, and that 50 percent of debt reimbursement was funded through the proposal being considered. He understood that the governor's bond proposal was to include some funding for school maintenance and construction.

Co-Chair Stedman was concerned that there would be years with no school construction, and the state would be in a difficult position after not honoring its commitment to organized communities with 100 percent debt reimbursement. He thought the policy needed to be worked through.

Senator Wielechowski asked the commissioner about AS 14.11.100, which stated that "during the fiscal year the state shall allocate to a municipality that is a school district the following sums" and listed out the amounts that were to be paid. He asked if the appropriations the commissioner was allocating for school construction debt were following the law.

Commissioner Johnson thought Senator Wielechowski's question was a legal question and deferred to the Department of Law regarding what had been proposed. He affirmed that the department would allocate what the legislature had directed and was signed by the governor. He affirmed that he would take time to look at the statute and review the material in the coming days.

Co-Chair Stedman asked the commissioner to get back to the committee with his answer.

[9:55:45 AM](#)

Senator Hoffman considered that the amount of funds for rural school construction had been vetoed, and the

administration was going forward with a 50 percent allocation for rural schools and bond indebtedness. He had been in contact with the individuals involved in the Kasayulie case, who had written a letter regarding the state's compliance with the case. The individuals had not received a response. He asked why DEED had not responded in writing on behalf of the administration. He thought the state was on the verge of possibly causing the case to be reopened and thought the state did not have a chance to win.

Co-Chair Stedman was not familiar with the letter referenced by Senator Hoffman, and asked Commissioner Johnson to respond to Senator Hoffman verbally or in writing.

Commissioner Johnson thought the letter Senator Hoffman referenced was in regard to a potential lawsuit, and he had forwarded the letter to the Department of Law. He would get back to the committee with a response from the department.

Senator Hoffman asked the commissioner to request an answer to the question since close to two years had passed. He was fearful that a non-response was a worst-case scenario, and he did not want the state to be in a legal battle regarding the education of rural students. He did not think there was a way for the state to win the case.

Co-Chair Stedman thought there was clearly concern with areas of growing student population in the state. He thought that the question pertained to several select areas of the state, and that the problem had been festering for years. He thought the problem needed to be addressed.

[9:59:10 AM](#)

Co-Chair Bishop wanted to add to Co-Chair Stedman's remarks about the increasing problem. He emphasized that it was crucial to address the deferred maintenance issue. He wanted to adhere to the lawsuit and build schools as per the lawsuit findings.

Senator Wilson recalled the governor waiving carry-forward requirements the previous year. He referenced the end of the disaster declaration and asked if the governor planned to waive the carry-forward requirements in the current year. He wondered if the legislature should address future

years and get rid of the 10 percent restriction on carry-forward balances for school districts.

Co-Chair Stedman asked the commissioner to answer the question and provide detail on the carry-forward provision referenced by Senator Wilson.

Commissioner Johnson affirmed that the previous year the governor had waived the 10 percent carry-over, which was a statutory limit upon how much of a school district's budget could be in reserve. Because of school closures and federal funding, the governor waived the provision to give school districts the flexibility to more efficiently and effectively use funding. Since the previous year, school districts had received another \$143 million. The next relief package expected from Congress included \$130 billion for education around the country which would signify another \$1 million for school districts. The department had requested the governor (if he had the authority) to waive the provision again for districts in order to maximize the benefit of federal funds and integrate the funds into the coming years. If there was not a disaster declaration, the legislature would have to be the body to take action.

10:02:33 AM

Senator Wilson asked if the legislature should permanently change the cap or put a moratorium on the provision for five years or so.

Co-Chair Stedman asked if the commissioner had recommendations for the committee.

Commissioner Johnson thought the topic was worth consideration. He thought a change in the statute could be approached from multiple angles and assumed school districts would have opinions on the matter as well.

Senator Wielechowski discussed the governor's insistence that the state follow the statutory requirement to pay a full Permanent Fund Dividend (PFD). He asked if the commissioner would agree that the state follow the statutory formula to fully fund school construction debt.

Co-Chair Stedman thought Senator Wielechowski had asked a loaded question and told the commissioner to answer or not answer as he saw fit.

Commissioner Johnson stated he would not make a recommendation to not follow the law.

Senator Wielechowski asked if the commissioner had submitted a budget with anything that was less than what the statute required in AS 14.11.100. He thought the answer was yes.

Commissioner Johnson understood that the budget process was a deliberative process and he stated Senator Wielechowski was welcome to forward the question to the governor.

Senator Wielechowski stressed that the governor did not come before the committee to discuss the budget proposal, but the commissioner did. He referenced the governor's veto of funding school construction debt the previous year. He wanted the commissioner to come before the committee with an answer to the question.

Co-Chair Stedman reiterated that Senator Wielechowski was asking a loaded question. He suggested the commissioner respond in writing to whatever level he was comfortable with.

Senator Olson saw a pattern of not fully funding statutorily mandated obligations. He found the matter troubling. He mentioned the PFD and was concerned about lack of funding for education. He thought there was a pattern of inadequate funding.

[10:06:22 AM](#)

Senator Wilson asked about the delta between the current year and past year's funding, considering the 94 percent increase in correspondence students. He asked whether or not correspondence students should be worth 10 percent less than students attending in person.

Commissioner Johnson relayed that one way to stabilize district funding long-term was to run correspondence students through the formula. He thought the governor had proposed a bill to do so. Currently students were treated differently based on how the students received education, which created instability for districts. He anticipated that there would be differences in enrollment for the next few years, due to choosing correspondence or part home-

based learning and part in-school learning. He asserted that treating students the same in the formula would stabilize school district budgets.

Commissioner Johnson showed slide 21, "Contact Information":

Heidi Teshner, Director of Finance and Support Services  
heidi.teshner@alaska.gov  
(907) 465-2875

Lacey Sanders, Administrative Services Director  
lacey.sanders@alaska.gov  
(907) 465-8721

Erin Hardin, Legislative Liaison  
erin.hardin@alaska.gov  
(907) 465-2803

Co-Chair Stedman asked about the relief supplemental appropriations of the COVID-19 response issue. He asked for commentary on the \$143 million that would be coming into school districts. He asked about spending parameters and timelines.

Commissioner Johnson cited that to date school districts had received \$180 million in direct federal funds through the first Coronavirus Aid, Relief and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act. He thought districts would almost certainly receive equivalent or greater additional funds from the next CARES Act. The first act had more restrictions than the second larger federal relief fund. The last set of \$143 million in funds were more flexible and could be used for facilities, learning loss, and other items. The school districts requested reimbursement, so the department had records of requests that were approved or denied. He noted that the department was posting every piece of information possible about the federal funds to make sure every district benefitted from the funds to mitigate the effects of the pandemic.

Ms. Sanders thought the commissioner had covered the topic well. She asked if the committee had specific questions about the funding.

10:10:54 AM

Co-Chair Stedman wanted to know what the emergency relief funding could be used for and how long the funds could be carried forward. He asked what kind of feedback the department was getting from the school districts. He wondered if districts would be adding funds to reserves to help with fiscal constraints or if all the funds would be consumed.

Ms. Sanders addressed CARES Act Funding. She addressed the presentation "COVID-19 K-12 Federal Relief - Funding Overview" (copy on file), which broke down the allocations by school district for both the CARES Act and CRRSSA funds.

Ms. Sanders showed slide 1, "COVID-19 K-12 Federal Relief - Funding Overview":

- Coronavirus Aid, Relief and Economic Security (CARES) Act
- Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act

Ms. Sanders detailed that the CARES Act funding had two allocations that were specific to DEED - the Elementary and Secondary School Emergency Relief (ESSER) Fund, and the Governor's Emergency Education Relief (GEER) Fund. Local education agencies (school districts) received \$34.6 million and had until September 30, 2022 to obligate the funding. Allowable uses included addressing learning loss and addressing needs in the schools to reduce the risk of virus transmission. A small portion of the funding in the amount of \$3.8 million was allotted to DEED to award grants and contracts, as well as \$192,000 that could be used for administrative costs. The funding was also available until September 2022. She referenced a handout that outlined funding by school district (copy on file).

Ms. Sanders noted that the department had provided the committee with backup documents showing what had been spent by school districts (copies on file). As of January 29, 2021 about \$11 million had been spent. The department had also provided additional detail as to how the districts had spent the funds.

10:14:47 AM

Co-Chair Stedman asked about slides sent to the committee that had not yet been distributed. He asked to conclude the overview of the federal funds.

Ms. Sanders showed slide 2, "Coronavirus Aid, Relief, and Economic Security (CARES) Act Update":

CARES Act was signed into law on March 27, 2020  
Education Stabilization Fund - \$30.75 billion in emergency relief funds

1. Approximately \$3 billion for the Governor's Emergency Education Relief Fund (GEER I Fund)
2. Approximately \$13.5 billion for the Elementary and Secondary School Emergency Relief Fund (ESSER I Fund)
3. Approximately \$14.25 billion for the Higher Education Emergency Relief Fund

Ms. Sanders relayed that there had been a request for information regarding how the governor's emergency education relief funds were allocated to entities. There had been a competitive process. She referenced handout 6, "Governor's Education Emergency Relief Fund," (copy on file). She cited that the most recent CRRSSA funding would be made available for school districts to apply for. None of the funds had been allocated and was based on the Title 1A formula. All the information would be shared with committee members and was on the DEED website.

Co-Chair Stedman stated that the committee would have the department back to address the use of the federal funds and how the funds were distributed to school districts. He thought the funds were significant and could have a positive impact on school districts.

Co-Chair Stedman thanked the department for the presentation. He acknowledged that the legislature had tough questions regarding school bond debt reimbursement, and thought the legislature had a fundamental policy difference with the administration.

10:18:50 AM

RECESSED

10:20:16 AM

RECONVENED

Co-Chair Stedman explained that the committee would consider the University operating budget and meet as the Senate Finance subcommittee of the whole.

^UNIVERSITY FY22 OPERATING - SUBCOMMITTEE OF THE WHOLE

[10:21:11 AM](#)

PAT PITNEY, INTERIM PRESIDENT, UNIVERSITY OF ALASKA, discussed the presentation "University of Alaska - Serving Alaska - Senate Finance Committee - February 11, 2021" (copy on file).

Ms. Pitney turned to slide 2, "University of Alaska - Alaska's System of Higher Education":

Three universities:

- different missions
  - research, urban comprehensive, regional
- different experience
- all valued
  - serving their communities
  - offering a breadth of programs from workforce credentialing to doctoral degrees

Ms. Pitney acknowledged that the three universities' different missions was an unusual structure, but it allowed the University of Alaska (UA) the breadth of programs necessary to meet the needs of communities. She remarked that there had been turmoil at UA in recent years and she was pushing for stability. She noted that the end of the presentation would provide information regarding how graduates left UA and went to work in the state. She cited that 70 percent to 90 percent of UA grads went to work within a year of graduation and many worked in the state. She noted that 90 percent of graduates of the Process Technology program stayed in-state and were making \$130,000 within five years.

Ms. Pitney showed slide 3, "To meet the needs of Alaska...":

- STABILITY
- CONFIDENCE
- TRUST
  
- Meet Alaska's workforce needs and increase degree attainment



- Essential to Alaska's economic recovery, diversity and growth
- World-class nationally competitive research
- Operate more cost effectively

Ms. Pitney stated that UA's focus was on programs and nationally and worldwide competitive research. She cited that UA was ranked first in the nation for climate modelling and the Arctic. She referenced the UA's research funding that was a huge economic driver for the state. She wanted to focus on reducing UA's physical and administrative footprint.

[10:24:02 AM](#)

Ms. Pitney reviewed slide 4, "Reduced budget - reduced footprint":

- At the end of the Compact in FY22, UA will be down \$120 million UGF from FY14
- Smaller footprint with a foundation of high-quality core programs and research
- Facility and lease reductions
- Faculty and staff reductions since 2014
  - 2,500 fewer employees
  - Reduced administrative personnel costs by more than 20 percent

Ms. Pitney relayed that UA had sold ten facilities and had taken down 13 facilities. She emphasized that the majority of remaining of programs were there to stay, and UA would focus on rebuilding programs through enrollment and would have continued focus on administrative cost.

Co-Chair Stedman commented that although there had been \$120 million in savings, the legislature would be considering other components of the state and how GF were consumed. He thought there were budget escalations that had consumed the savings from UA and the Alaska Marine Highway System (AMHS). He thought it would be apparent that the state had not gained much in aggregate savings.

Ms. Pitney shared that in one of her first presentations to the UA Board of Regents she had included information on the overall state budget. She discussed UA's savings. She noted that the \$50 million in UA savings had been reallocated to

the Department of the Public Safety and Department of Corrections.

[10:27:13 AM](#)

Senator Olson referenced Ms. Pitney's comment about a third of the UA budget being reduced. He asked about the perspective of members on the UA reductions as compared to other departments.

Co-Chair Stedman stated that the committee was working on a presentation related to reductions and consumption of reductions. He noted that all the funds were co-mingled, and the presentation would address increases, reductions, and some statewide issues.

Ms. Pitney discussed slide 5, "Legislative Priorities":

Financial Stability

- To grow enrollment and diversify revenue through additional tuition revenue, we need budget certainty
- A single appropriation is necessary to provide the Board the most flexibility with budget decisions

Ms. Pitney discussed UA's focus on programs and pointed out that programs supported economic recovery. She mentioned the number of people that had been affected during the COVID-19 pandemic, and the jobs that would return would likely require additional training. She explained that UA had a great breadth of programs, all of which had a direct link to industry. She noted that the request for a single appropriation was to provide flexibility in the face of dramatic reductions.

[10:30:09 AM](#)

Ms. Pitney referenced slide 6, "Legislative Priorities":

- Capital Requests
  - Deferred Maintenance
  - General Obligation Bond
- Debt Relief
- COVID Impact Mitigation

Ms. Pitney stated that she would go into more detail regarding the three capital request priorities listed on the slide.

Ms. Pitney spoke to slide 7, "Debt Service Relief - \$15.1 million Request":

- Annual Debt Service = \$24 million (UGF component is \$19.3 million)
  - \$10.5 million (43%) UAF Combined Heat & Power Plant
- Principal Outstanding = \$288.5 million
- Debt service is 5% of UA's unrestricted revenues, and has increased as revenue (UGF & Tuition) decline
- Fixed costs reduce management's capacity to make strategic reductions as revenues decline
- Examples of debt-financed projects: UAF Power Plant, UAF Engineering Building, Deferred Maintenance
- UA's debt capacity is limited
- Debt relief, in the form of principal payoff or debt service reimbursement, is a prudent financial move
- Debt relief would strengthen UA's financial position, and increase its capacity to respond to current and future revenue pressures

Ms. Pitney explained that the debt service request for \$15.1 million represented a two-year debt relief on UA's combined heat and power plant, and its deferred maintenance. When the heat and power plant was funded in 2014 it was funded with cash, a state appropriation-covered municipal bond, and a UAF revenue bond funded through student fees and utility savings. There was \$7 million appropriated in 2014, and since then UA appropriations had been cut by \$120 million. There had been no way to avoid the new heat and power plant due to the age of the old power plant.

Ms. Pitney explained that the reason the request was for only two years of debt relief was that UA was working on monetizing the power plant. Other universities had done the same. She thought it would be helpful if UA could get to a concession deal or sale of heat and power. She thought two years was needed.

Co-Chair Stedman asked if Ms. Pitney was referencing the new coal-fired power plant.

Ms. Pitney answered in the affirmative. The plant had recently come online but had been funded in FY 14.

Co-Chair Stedman asked if the plant was integrated with users outside the UA system, or integrated in Fairbanks' grid.

Ms. Pitney relayed that there was an intertie with Golden Valley Electric, and UA was working actively on a power purchase agreement. She shared that there was excess capacity and hoped that there was an available opportunity.

10:34:11 AM

Ms. Pitney discussed slide 8, "Deferred Maintenance - \$50 million Request":

- Facilities across the University of Alaska are extensive and a unique subset of public facilities.
  - 397 facilities totaling over 8 million square feet, valued at over \$4 billion
  - Average age of UA's buildings is 35-years old
  - Deferred maintenance backlog over \$1.3 billion
- UA's physical footprint serves academic, research, and community service focused mission priorities.
  - Facility type varies from residential housing, general offices and classrooms to complex laboratories
- Through active stewardship, UA leverages shrinking maintenance operations budgets to lengthen the service life of buildings beyond the typical age for major renewal.
- Emergency repairs are becoming more common place as major components and systems surpass their normal life-span. Resources are going toward reactive maintenance.

Ms. Pitney noted that \$50 million was a traditional request for UA and that the amount would keep the university even and would not be gaining in additional deferred maintenance. She added that LFD had reported in its overview that 1 percent of facility values across the state was \$97 million. She thought the figure reiterated Co-Chair Bishop's point that at \$100 million per year on deferred maintenance of facilities, the state stayed even and did not gain backlog. She acknowledged that UA comprised a big share of the state's deferred maintenance, with a large

share of facilities outside the K-12 education infrastructure. She continued that UA had demolished 13 facilities, which had helped with the backlog.

Ms. Pitney thought utilization of facilities would be different after learning from COVID-19 practices. She thought UA would need to repurpose some facilities. She cited that she had significant information and background on UA's deferred maintenance request, and the entire list.

[10:36:35 AM](#)

Co-Chair Bishop asked Ms. Pitney to briefly tell the committee what the University of Alaska Fairbanks had done to help with the COVID-19 pandemic in the community.

Co-Chair Stedman asked if Ms. Pitney could hold the question until the topic was addressed on slide 10.

Ms. Pitney displayed slide 9, "Deferred Maintenance":

- Board of Regents Request: \$50 million
- Senate Bill 74 includes \$29.9 million for:
  - UAF Bartlett and Moore Hall Modernization and Renewal -\$18.65 million
  - UAA Building Energy Performance Upgrades -\$10.9 million
  - UAA Integrated Sciences Building Energy Savings Project -\$428,000

Ms. Pitney noted that the projects listed on the slide represented priority projects for UA.

Ms. Pitney turned to slide 10, "Serving Alaska during COVID-19":

- Training and employing 400+ contact tracers
- UA experts in epidemiology, economic impacts and modeling, small business, and mental health assist state response
- Manufacturing PPE (e.g. hand sanitizer, 3D printed face shields, ventilator parts, viral transport media)
- Small Business Development Center and Business Enterprise Institute support small businesses -PPP loans and community small business relief

- Graduated and licensed 75 senior nursing students early in order to meet the increased demand
- NSF has funded four RAPID awards to UA researchers

Ms. Pitney addressed Co-Chair Bishop's question about COVID-19. She highlighted that the UA College of Health had been instrumental in training contact tracers as well as operating a contract tracing team. She noted that the state virology lab was on the University of Alaska Fairbanks (UAF) campus and had given assistance with testing protocols. She mentioned a doctor from the College of Health that had been a great asset with Center for Disease Control protocols. She noted that Institute of Social and Economic Research (ISER) had done a tremendous amount of economic modelling. She continued that UA had manufactured a tremendous amount of personal protective equipment. Additionally, all campuses were working on research projects funded by the National Science Foundation that traced how the disease moved in the state and where protocols had made a significant difference.

[10:40:07 AM](#)

Ms. Pitney showed slide 11, "COVID-19 Support and Impacts (March 2020 -present)":

COVID Funding Requests: \$15.7M

1. UA is working with OMB and Legislature on a COVID supplemental appropriation.
2. UA submitted a request to Governor's office on January 29, 2021  
from the Governor's Emergency Education Fund
3. UA has applied for funding from Federal Emergency Management Agency (FEMA). In process.

Ms. Pitney noted that the data table on the left showed a full accounting of institutional support, with lost revenue and costs associated with COVID-19 shown in the table on the right. There were multiple areas in which UA had received funding, including from the CARES Act. She highlighted federal Higher Education Emergency Relief Fund funds. Additional funds were received from the governor via the GEER Fund.

Ms. Pitney continued that the City of Soldotna, the City of Fairbanks, the City of Bethel, and the Alaska Community Foundation had all provided CARES Act funds to the

institution. In addition to the funds that came to the institution from the CARES Act, UA had received almost \$8 million for direct student support to help offset the impacts in housing and other areas, including tuition support. She highlighted that the institutional support was \$31 million, and the impacts had been \$47 million. She described the situation as a "double whammy" on top of state reductions. The system would continue to seek other available funding sources.

Ms. Pitney discussed slide 12, "Legislative Priorities":

- Technical Vocational Education Program Reauthorization
  - Program is funded annually from a portion of unemployment insurance contributions
  - UA receives 45 percent of program dollars, \$5.8M in FY21 (46% of participants)
  - Funds high-demand career and technical training marine, mining, oil & gas, health care, construction, and IT
  - Seeking a five-year reauthorization of the current program

Ms. Pitney used the example of the marine simulation programs in Ketchikan and the new medical-technical program to discuss high-demand career and technical training that relied on start-up funding.

Ms. Pitney showed slide 13, "UA TVEP Supports Alaska Economic Regions FY2015 FY2019," which showed a pie chart depicting distribution of the past four years of TVEP funding. She cited funding of \$9 million in the Anchorage region, \$4.7 in the Interior region, and \$3.2 million in the Southeast region.

[10:43:48 AM](#)

Ms. Pitney referenced slide 14, "Legislative Priorities":

- Higher Education Investment Fund
  - Preserve full funding of these important programs:
    - Alaska Performance Scholarship program ~ \$12M
    - Alaska Education Grant ~ \$6M
    - WWAMI Medical School program ~ \$3M

Ms. Pitney emphasized that stability of the Higher Education Investment Fund was critical to the future. She cited that disruption of the funding in 2019 had a more negative impact on enrollment than did the COVID-19 crisis.

Ms. Pitney discussed slide 15, "University of Alaska Total Budget," which showed a table showing budget specifics. She cited that the UGF budget peak in was FY 14 at \$377 million, and funds declined to \$257 million in FY 22. The total budget went from \$920 million in FY 14 down to \$780 million in FY 22. She relayed that she was more experienced in dealing in revenue rather than budgets.

Ms. Pitney advanced to slide 16, "State appropriations (UGF) are the base on which all programs operate programs generate all other revenue Funding Sources":

UA keeps a high quality core foundation maintained on the reduced state support.

UA is trusted and central to industry, communities, and the state for economic recovery and diversification.

The legislature and governor assure stable state funding from which UA will grow enrollment, research, service, partnerships and philanthropy.

Federal \$132M, Other ~\$9M, DGF \$65M are restricted grants, scholarships, or contracts.

~\$200M of the \$400.5M is restricted to a specific purpose by the entity providing the revenue

Ms. Pitney highlighted categories on the table on slide 16. She pointed out that the subtotal of earned revenue at \$415 million. She noted that FY 22 revenues were expected to be \$400 million. She explained that about \$65 million of the \$258 million of designated general funds (DGF) was restricted by the entity that provided the funds for a specific purpose. The federal funds were restricted to a specific project or purpose, as were the "Other" funds. Of the \$400 million, only \$200 million was available to accommodate the budget reductions in the programs. She discussed the imbalanced impact on the UA budget. The other pieces of the budget were interagency receipts and excess receipt authority.



Ms. Pitney relayed that UA had been able to stabilize by focusing on partnerships and grants. The institution had been able to hold research steady with slight growth, which had been a huge stabilizer. Going forward, growing enrollment and stabilizing revenue from tuition and fees was important.

10:47:39 AM

Senator Wilson asked about UA's indirect rate, or federal or administrative cost allocation rate charged through funding agreements. He understood that in the past different programs had different rates, some of which were not established.

Ms. Pitney stated there were very strict rules for federal agencies, and there was an audited indirect cost agreement. There was an agency that went through UA's indirect cost agreements and audited all financials, which set the rate with federal entities. There were some federal agencies that had a rate that overrode UA's negotiated indirect cost recovery rate, which was around 50 percent. She explained that the rate was based on a percentage of facilities used in research, and on administrative costs, which were capped. She discussed different rates. She noted that 85 percent of federal funding came through UAF's research, whereas the University of Alaska Anchorage had its own rate. All of the rates were audited by the Office of Naval Research.

Senator Wilson asked about getting a list of the indirect rates for UA. He discussed different rates and wondered about written agreements. He thought certain schools within the system were using different rates. He wanted to understand the rate structure, specifically in-state.

Ms. Pitney agreed to provide the information.

10:51:17 AM

Ms. Pitney showed slide 17, "Unrestricted General Funds Reductions," which showed a data table, and a bar graph entitled 'FY14-FY22 UGF Reduction by \$.' She looked at the percentage change between FY 14 to FY 22 for UAA, UAF, the University of Alaska Southeast, and the system office. The bar graph showed the magnitude of the reductions. She

observed that it would have been helpful to show the data in negative. She highlighted that the UAF campus had \$46 million in reductions, UAA had \$36 million, and the system office had \$16 million in reductions.

Ms. Pitney turned to slide 18, "Students and Employees," which showed a table. The regular benefit-eligible employees were down by nearly 900 from Fall 2014. Part time employees were down by almost 1,500. The student headcount was down by 30 percent since Fall 2014, two-thirds of which was lost in the previous two years. She mentioned the need for stability to regain students. She thought it was fortunate that program graduates and students in high-demand areas had stayed more stable than the student body as a whole.

Co-Chair Stedman asked about the decrease in credit hours.

Ms. Pitney agreed to provide the information to the committee at a later date.

Senator Hoffman noted that the legislature had already cut UA by \$100 million and was scheduled to impose a reduction of another \$20 million. He asked how much impact the reductions would have on the number of people that would be laid off throughout the state at the 3 main campuses as well as in rural Alaska.

Ms. Pitney stated that UA was trying to do as much as possible through the administrative, facilities, and revenue areas, and would take advantage of additional attrition. She thought there would be a few layoffs but based on the attrition she anticipated between 50 and 70 regular faculty and staff layoffs. Because major program reductions had been done the previous year, the results would be seen the next fall. She was not anticipating wholesale layoffs.

Co-Chair Bishop asked for a list of reductions of PCNs by campus.

[10:56:39 AM](#)

Senator Olson considered the attrition and loss of staff. He asked what kind of losses were anticipated for research funding.

Ms. Pitney noted that research staff were largely 100 percent funded by the grants or by contract, and the staffing had stayed fairly solid. The administrative positions that managed grants and contracts were becoming fewer. The positions were important for partnerships with agencies and the ability to submit proposals. She shared that UA had tried to keep stability in research to keep receiving funding that would otherwise go to other states. She asserted that the funding affected every community in the state. She mentioned the College of Fisheries and Ocean Sciences that did work in Seward and other places.

Ms. Pitney used the example of the field station maintained by UA that was used by scientists from all over the world. She noted that UA research was very successful compared to other institutions.

Ms. Pitney thanked the committee. She advised that UA was managing into its smaller footprint, and that UA was present to support the economic recovery of the state.

Co-Chair Stedman discussed the agenda for the following day.

#

ADJOURNMENT

[11:00:46 AM](#)

The meeting was adjourned at 11:00 a.m.